

**From:** Fred Perry [fperry@wfcuhawaii.org]  
**Sent:** Thursday, March 26, 2009 5:01 PM  
**To:** \_Regulatory Comments  
**Cc:** Dennis Tanimoto  
**Subject:** Fred Perry -Comments on Advanced Notice of Proposed Rulemaking for Part 704

Attn: Mary Rupp, Secretary of the Board, National Credit Union Administration

First, let me give you a brief synopsis of our credit union. We celebrated our 55 year of business last year and recently reach \$60 million in assets. In 2008, we experienced year over year increases in shares, loans, assets, members, net income and in our net worth ratio. During the year we also launched a CUSO to provide bookkeeping, data system utilization consulting and IT services primarily to Hawaii credit unions under \$100 million in assets through a shared resources business model.

My comments do not address many of the corporate credit union issues raised in the ANPR referenced above but instead are focused on NUCA's announced actions to remedy the projected losses at the corporate credit unions through the NCUSIF. There are many smart, more experienced people with great ideas and suggestions regarding the corporate credit union structure and options for its future and I will follow future developments in this area closely. More important to our credit union and our members are the immediate and potential lasting negative effects of the announced bail out plans and the ongoing and increasing costs associated with these developments.

Instead of building excessive capital, our Board of Directors' mission and vision has always been focused on how can WCFCU help its members. This philosophy translates into us having a net worth ratio that has moved between 8-9% over the years. Now due to the situation with our corporate credit unions and NCUA's actions and proposals, we are projected to lose \$473,000 of our capital and another \$331,600 of our Wescorp PIC. This will cost our credit union over \$800,000 and amounts to a full 16% loss of our total capital!! When these announced financial adjustments are factored in, our adequate 12/31/08 capital ratio of 8.91% will be reduced to 7.6%, putting us ever closer to the PCA threshold of 7.0%. And no one knows what further NCUSIF impairment costs may be required or needed.

Did NCUA need to do something to address the problems with the corporate credit unions? Yes  
Do natural person credit unions need to help financially with the rescue? Yes  
Does it need be expensed all at once or cost natural person credit unions so much that it affects how they do business and serve their members' needs? No  
Does it make sense to have natural person credit unions shoulder the entire cost of problems unrelated to how they have conducted their business? No  
Will NCUA help keep all credit unions strong and not just those that can afford it??? That is up to you.

Thank you for the opportunity to share my comments and concerns.

Sincerely,

Fred Perry

President/CEO  
Windward Community Federal Credit Union  
Phone: 808-254-3566 ext: 133

